

FISCAL IMPACT STATEMENT ON BILL NO. **S.455**

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TO:	The Honorable David Thomas, Chairman, Senate Banking and Insurance Committee		
FROM:	Office of State Budget, Budget and Control Board		
ANALYSTS:	Kenneth Brown, Rodney Grizzle, Torina Wood		
DATE:	February 25, 2009	SBD:	2009234

AUTHOR:	Senator Thomas	PRIMARY CODE CITE:	38-60-10
SUBJECT:	Healthnet Program Act		

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:

A Cost to the General Fund (See Below)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:

\$0(No additional expenditures or savings are expected)

BILL SUMMARY:

The Bill would enact the "South Carolina Healthnet Program" creating a five-year pilot program to promote the availability of health insurance coverage to employees regardless of health status or claims experience, provide for the composition and authority of the board of directors, provide criteria for plan administration, rates, provider participation, applicability and scope of the chapter, health benefits plan standards, eligibility standards, termination and nonrenewal of coverage, reporting of loss data and authorizes the state Department of Insurance to promulgate regulations to implement the provisions of Chapter 60, Title 38.

EXPLANATION OF IMPACT:

Department of Insurance

The Department estimates this Bill would require additional General Funds of the State totaling \$82,750 the first year. The costs would cover the salary and fringe benefits of \$75,000 for a Program Manager I who would serve as agency liaison to the board and would provide input into design and implementation of insurance programs to include review of rates, plans and selection of acceptable vendors. Operating expenses would total \$2,700 to cover phone service, office supplies, travel, postage and copying. One-time costs of \$5,050 would cover computer and furniture. Annual recurring cost can therefore be estimated at \$77,700.

Administrative Law Court/Department of Health and Human Services

Both Agencies indicate this Bill will have a minimal impact or no fiscal impact on the General Fund of the State, which can be absorbed at the current level of funding. There would be no fiscal impact on Federal and/or Other funds.

SPECIAL NOTES:

Section 2 of the Bill specifies that the General Assembly shall provide initial funding for the program in the amount of ninety-five thousand dollars appropriated from the insurance premium taxes deposited in the General Fund of the State pursuant to Section 38-7-20.

Approved by:



Harry Bell
Assistant Director, Office of State Budget